

If you haven't had
this book you
haven't had a good laugh
in store.

Yours
Mahf



TO LET YOU KNOW
WE'RE PROUD OF YOU
AND
WISH YOU WELL
CIVILIAN
WAR COMMISSION
AND
WAR CHEST
SEATTLE, WASHINGTON



“I’m the Kuhn, of Kuhn, Loeb and Co.”

Caught Short!

A Saga of Wailing Wall Street

by

EDDIE CANTOR

Comedian, Author, Statistician and Victim



Illustrations by
SID L. HYDEMAN

1929 A.C.* ♦ SIMON and SCHUSTER ♦ NEW YORK

*After Crash

ALL RIGHTS RESERVED

COPYRIGHT, 1929, BY EDDIE CANTOR

PUBLISHED BY SIMON AND SCHUSTER, INC.

PRINTED IN U.S.A. BY ABBOTT PRESS & MORTIMER-WALLING, INC.

BOUND BY H. WOLFF EST., N. Y.

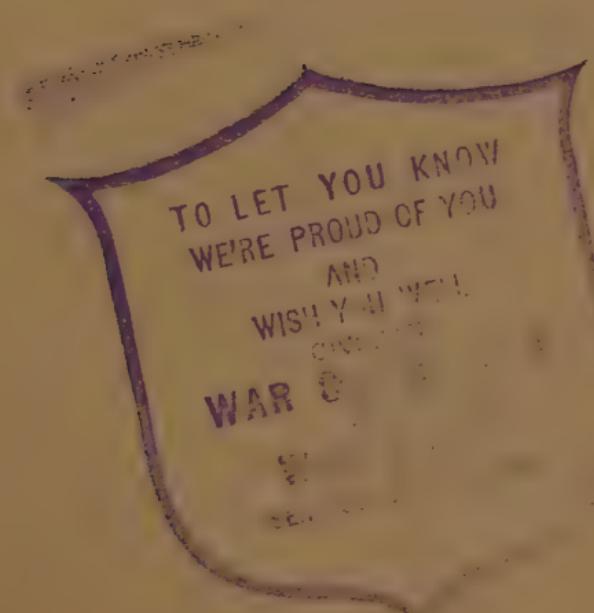
First Printing, November, 1929, 10,000 copies

Second Printing, November, 1929, 25,000 copies

Third Printing, November, 1929, 25,000 copies

CAUGHT SHORT!

A Saga of Wailing Wall Street



MY THROAT is cut from ear to ear. I am bleeding profusely in seven other places. There is a knocking in the back of my head, my hands tremble violently, and I have sharp shooting pains all over my body, and in addition to all that my *general* health is none too good.

One of the greatest diagnosticians in America thumped me and probed me all over the premises.

“You are a very sick man,” he said finally. “A very sick man. You are suffering from Montgomery Ward of the liver; General Electric of the stomach; Westinghouse of the brain, and be-

sides you have a severe case of Internal Combustion."

The joke's on the doctor. He didn't notice me as I walked into his office or he'd have discovered that I also had a bad limp from taking an unexpected ride in Otis Elevator! They let me in on the top floor. When I ran out of collateral, the cable snapped and I landed in the basement without a shock-absorber. They sent a margin-clerk and two other internes to collect the pieces.

You can readily guess that I was in the market. Brother, I wasn't *in* the market: I was *under* it. Just mention Wall Street and I'm ready to break down on your shoulder and give you a tear-drenched lapel to take home to the wife and kiddies. That is, if your

broker didn't sell them at the market.

Only one fellow I know got a lucky break in this panic. That was my uncle. He died in September, B. C.—Before the Crash. Poor fellow! He had a blood pressure of 160 and when it reached 250 he tried to split it four for one.

This is what they call Republican prosperity! If Al Smith were in the White House, they would have sent out the marines with the first slump—and they would have been Republican marines.

Naturally, no right-thinking man will blame Hoover. After all he was only elected to be in the White House for four years. But that's no consolation for the rest of us who'll probably be in

the poor house for the rest of our lives.

Paul Revere's ride was tame compared to the wild gallop the market took when everything tumbled. They passed Babson's prediction in the first five minutes of play. The only thing that stood up was a person's hair. The night of the worst crash I was too frightened to go to my home in Great Neck. I went instead to one of the larger hotels in New York City and asked the clerk for a room on the nineteenth floor. The clerk looked up at me and asked:

“What for? Sleeping or jumping?”

He probably had in mind the two fellows who jumped from a bridge together because they had a joint account.

It was a night I'll never forget. It must have been early in the morning



“I want a room on the nineteenth floor.”
“What for? Sleeping or jumping?”

when I finally fell off to sleep. I was rudely awakened by a clanging noise. It was the A. T. & T. crying for its mate. I picked up the receiver desperately.

"All right, all right," I cried by force of habit, "I'll be right over with that margin!"

It was only the hotel operator wishing me a cheerful good morning—good till cancelled.

When I came down into the lobby I met an actor friend of mine—anyway an actor. He looked tired and sleepy, although it was well past the breakfast hour.

"What's the matter, George?" I asked.

"I didn't get much sleep last night," he said, rubbing his bleary eyes, "I had to give up my room at four-thirty

this morning. I had it on margin!"

Wherever you went, the market was the chief topic of conversation. Everybody was "Moanin' Low!" And the Morris Plan was loaning Moe. The only fellows who made themselves heard above the din were the brokers yelling for more cash. And, believe me, it wasn't until the panic came that the brokers discovered how many of their customers were hard of hearing.

There are no two ways about the market. When you're in, you're in right—but when they take you, take it from me, they take you good. A pal of mine thought he was smarter than all the rest.

"The only way to beat the market," he said, "is to get in and out. Be a real trader, get in and out."

He did, too. He got in and they kicked him out!

This same in-and-outer returned to his Park Avenue home the night of the smash.

“Darling,” he said to his wife, “I’m crazy for your two new bracelets.”

“So am I,” she replied.

“You don’t understand me. I mean I’d like to take them with me.”

“But they don’t need fixing,” she cried.

“You’d be surprised,” he answered.

“But, honey,” she protested, “they belong to me.”

“Oh, no,” came from the husband, “they belong to my broker.”

“My God! What’s happened?”

“Plenty! And besides, we’re moving tomorrow.”

“Who’s moving us?”

“My broker.”

“Sweetheart, are we ruined?”

“Yes.”

“Who did it?”

“My broker.”

“Well,” said the wife, “if that’s the case, I’m through. I’m leaving right now.”

“Where are you going?” asked the husband.

“To your broker!”

It was during this period, also, that Ramsay MacDonald, the Prime Minister of England, drove through the financial district. The windows were packed with people. They yelled and screamed like madmen. The happy visitor smiled and doffed his hat contin-

ually. But the English Labor Minister was laboring under a delusion all the while. They weren't greeting him at all. They were just brokers yelling for more margin!

The most startling news of all I got on the third day of the panic, when fundamental conditions were sounder than ever. Word was flashed about town that Woolworth had formed a holding company; had taken over all the brokerage houses throughout the country, and was going to sell the stocks over the five and ten cent counters.

At any rate, this catastrophe should teach everybody a lesson. You can't play on the big board without getting a lot of splinters. And those who frolicked around the curb are now lying in the gutter.

When the market went from bad to worse bedlam reigned. People who hadn't visited their vaults in years rushed there like madmen—to hide from the brokers what few dollars they had left—both of them.

After all, the whole crash may simply have been the long-promised scheme for solving the traffic problem—by forcing people to hock their automobiles and clear the streets.

It got so bad, one speculator, who lost everything, radioed his wife, then Europe bound, to come home immediately.

"I can't," she cabled. "We are in mid-Atlantic."

"Great!" he radioed her. "Use the unused half passage to come back on!"

I know a merchant who received a

hurried call from his broker for more margin.

“We must have \$10,000 immediately to protect your account,” announced the broker coldly.

“Ten thousand dollars?” repeated the startled speculator. “I haven’t got another cent to my name.”

“Unless you raise \$10,000 by tomorrow you’ll be wiped out,” said the broker.

“My God!” wailed the poor fellow, “what’ll I do?”

“Do you carry any life insurance?” suggested the broker.

“Yes, fifty thousand dollars.”

“Good. Go to your life insurance company and ask them to loan you \$10,000 against it.”

The excited merchant rushed to the company, was ushered into the president's office and explained his mission.

"But see here," said the president, "you only took out this policy two years ago and you ask me for a loan of \$10,000 against it when you've paid in about \$2,000? Why, the loaning value is only \$750!"

"Listen here," screamed the desperate merchant, "either you lend me \$10,000 today or tomorrow morning you'll pay my wife \$50,000."

The Wall Street situation has done one thing for suffering humanity. Doctors, lawyers, dentists, and other professional men are now attending to their business again. Many a doctor who was overlooking his patients because he was

over looking at the ticker is now looking over his patients.

Don't think for a moment, however, that the big bankers weren't alarmed over the situation. They held daily conferences. Yes, indeed. I know, for I attended the most important one of all. How did I get in? Leave it to Eddie Cantor. Being a blackface comedian, I put on the burnt cork and presented myself at the private door of J. P. Morgan & Company. I was going to get my information first hand.

"Who are you?" asked an attendant, scanning my black face.

"Who, me?" I said. "I'm the Kuhn, of Kuhn, Loeb & Company."

I was ushered into the conference room

and there around a long table sat my good friends, Tom Lamont, of J. P. Morgan; Charley Mitchell, of the National City Bank; Albert H. Wiggin, of the Chase National Bank; Seward Prosser, of the Bankers' Trust Company, and William C. Potter, of the Guaranty Trust. Potter came right from The Yale Bowl where he had been holding a staff meeting of his vice-presidents.

There was no gayety. Everyone was austere. The gravity of the situation, it was evident, had brought these bankers into an emergency session to solve probably the country's greatest financial crisis in years.

Mitchell was the first to speak, and he addressed Lamont.

"Lamont, old boy," said Mitchell,

“how many miles do you get on a gallon in your Minerva?”

“Not as many as I get in my old Hispano Suiza, Charley,” answered Lamont.

“You don’t say?” retorted Mitchell. “Oh, by the way, do you remember Jerry? He’s my senior chauffeur, you know. Well, what do you think happened? His wife gave birth to a baby girl yesterday. Good old Jerry!”

“That’s cheering news,” interjected Wiggin. “Are you going to give him a little gift?”

“I should say I am,” came from the House of Morgan. “I was thinking of giving Jerry a hundred shares of U. S. Steel.”

“Oh,” interrupted Potter, “you ought

to give him something more substantial than that. He's a good fellow. Give him ten dollars in cash."

"Well, boys," said Wiggin, "I think we ought to get down to the serious business of this meeting."

Charley Mitchell arose. "Gentlemen," he said, "we're facing a very serious situation, a situation fraught with danger and peril to all of us. Do you hear me, to all of us."

"Don't I know it!" agreed Lamont.

"Let Charley talk," admonished Wiggin.

"My friends," began Mitchell, unmindful of the interruption, "did you notice at the club of late that after a handball game you have to wait fifteen minutes before you can get a rubdown?"

"You bet," said Lamont. "It happened to me only yesterday."

"I'm glad it's been brought to your attention," continued the head of the National City Bank, "because it makes it a little easier to lay the proposition before you. We must get another masseur, a fellow who knows the masseuring business from A to Z, a fellow who doesn't dig his finger nails into your stomach, a man who can carry the massage to Garcia. . . . You remember Big Tom, don't you?"

"No, I don't," confessed Wiggin.

"Why," said Charley Mitchell, "he used to be quite a favorite around the club a few years ago. Oh, you remember him, Wiggin, he had a mole on his left cheek and parted his hair like John

Gilbert. Of course, you remember him. Well, anyway, we *don't* want a masseur like Big Tom. He used to mangle me every time he gave me a rubdown."

Prosser jumped up with a suggestion. "I've got the fellow you want. Only he's expensive."

"What does he get?" asked Lamont, gravely.

"Well," said Mitchell in a hushed tone, "he used to work for Vanderbilt and you know how extravagant *he* is with money. I think he pulls down seventy-five dollars a week."

There was a long silence.

"I'm game, boys," finally announced Potter, with an air of determination.

"So am I," agreed Lamont.

"Well," said Mitchell, "if you boys

are all set, so am I. Let's get this new masseur and arrange to split his salary among the bunch of us. After all, it can't cost so much when you cut it five ways, and I may even get George Baker to stand part of his salary."

"A splendid suggestion," cut in Prosser. "A man's health is certainly worth something. Is there anything else to take up?"

"Nothing else that I know of," said Potter, and the rest all nodded their assent.

"All right, then, boys," said Lamont. "See you all at the club tonight."

The bankers marched out of the room, to find a mob of frantic reporters at the door. Hell was breaking loose at Broad and Wall Streets. We could hear the

agonizing howls from the Stock Exchange across the street.

That's where real leadership showed itself. Five strong silent men faced the reporters. It was agreed to make Lamont the spokesman.

The bankers looked from one to the other and finally in slow measured tones the house of Morgan spoke: "Tell the world that everything is well in hand. We are entirely pleased with the situation. Conditions are basically sound."

The reporters rushed to their telephones, and in a moment the market dropped ten points more.

A little later the Rockefellers, both John D. Senior and John D. Junior, announced that they, too, were satisfied with the situation, and were themselves

buying stocks. Sure, who else had any money left?

When I heard the news of the first rally I said to a famous song writer: "Well, Jack, we're all right now. Things are going to go up. The Rockefellers are buying, and the bankers are backing up the market."

"Good Lord!" he moaned. "Yesterday I died, and today they are giving me oxygen."

My brother-in-law was almost in the same fix. During the height of the panic he came out of the hospital after having had his appendix removed. He showed me the cut.

"What a scar!" I sympathized.

"Oh, that's all right, Eddie," he said, "I own it outright."

Commander Richard Byrd, as you

know, is down in the Antarctic, and in this crisis he was one of the most fortunate men alive. Down there they have six months day and six months night. Can you imagine him worrying if a broker should send him a hurry call for more money by eleven o'clock in the morning?

Really, things were pretty bad. It seems everybody was in the market. And everybody was dumping stocks. From the number of certificates around I can't understand how printing presses turned out our magazines, books, and daily newspapers when they had to work day and night to turn out so much engraved stock. United States Steel was selling so low at one time that the cigar stores were seriously considering an offer to give out

the stock as coupons. The only reason, I believe, they abandoned this plan was because nobody could ever live long enough to save up sufficient coupons to get a premium.

Just about this time Julius Rosenwald, one of the greatest philanthropists in the country, did the most noble thing I ever heard of. He guaranteed to protect every one of his employees whose margin accounts needed more money. The minute I heard of it I sent him the following wire—collect:

Julius Rosenwald,
Chicago, Illinois.

I understand you are protecting your employees on their margin accounts Stop Can you use a bright industrious boy in your office Stop I am ready to start at the bottom EDDIE CANTOR

Almost immediately Julius Rosenwald answered my call of distress. His reply said:

Eddie Cantor,
New York City.

Please come on at once Stop
Have job waiting for you Stop
Wire time of arrival and will
meet you at train

JULIUS ROSENWALD

And believe me, folks, the only reason I didn't go was because I couldn't borrow the fare to Chicago.

Humor and tragedy go hand in hand. When things were at their lowest ebb a friend of mine, practically broke, walked into the Automat for a meal, a new experience for him. This is the kind of a place where you drop a coin in a slot

and you get something to eat. He went to the five-cent section and dropped 100 shares of International Nickel and got a custard pie! Another fellow dropped in 100 shares of Radio and out came the manager!

The one big laugh I got out of the whole situation was when the governors of the Stock Exchange decided to close shop for two days to give the clerks a chance to sleep. Lucky clerks. They slept, all right, but millions of us haven't slept since, and we'll probably be troubled with insomnia the rest of our lives.

So as not to lose time in travelling, most of the clerks slept on cots in the brokerage offices. And, believe me, many a customer said: "Move over and make room for me!"

They say more than twenty million people are interested in the market, and I believe it. All of them were in my broker's office. Among them was a foreigner who has been in the country only six months. By his shrewdness he managed to amass a profit of nearly \$600,000. Not only did they take away his \$600,000, but I'll be darned if they didn't even take his accent!

It was during this period, too, that a friend of mine sent his broker a pair of white flannel trousers. The broker called him on the phone as soon as he received the package.

"What's the big idea?" he asked.

"I thought I'd send them down to you because you're the best cleaner in town!"

Of course, the panic is over—at least,

I hope so—but you can see the reflection of the market in the way the women are dressing. Even their skirts have come down. Many a woman who expected to be kept warm this winter with an ermine wrap will be lucky to warm her tootsies on a radiator.

Nearly all of us made promises we can't keep on account of the turn in Wall Street. I promised my wife a rope of pearls. I can't get the pearls but I have the rope—and I'm thinking of using it myself.

For a time the only thing that went up was the blood pressure of the speculators. And believe me, many a man was selling that short before the crash was over.

Everything then was a "good bye." People all around me were moaning that

hereafter they would invest in bonds. They said you can eat well on seven per cent, but you can sleep better on four and a half!

How unfair the whole thing was! Many years ago my banker said to me:

“Eddie, buy some good sound securities, put them away and forget about them.”

I did, and now I even forgot where I put them.

Now if you want a real tip, I have it for you. It's on the up and up, and is a sure way to beat the market. Buy yourself the stock of a commodity which the people must use, especially at a time when the market is crashing. Take what is left of your bankroll and go out and buy yourself plenty of National Casket.

Wall Street lives, thrives, and eventually goes broke on statistics. Here figures count even more than they do in a Ziegfeld show. The difference between the two, however, is you don't have to feed the former. Since statistics are so vital, the following, gathered at great pains after the crash, may prove of interest:

106,486 speculators drove down to Wall Street in Rolls Royces and returned home in Mack trucks.

15,784,344 people who always used aspirin before the panic discovered it couldn't cure certain kinds of headaches.

103,484 people who owned amusement stocks couldn't get any entertainment out of the break.

3,795 women bought certain investment trust stocks because they had Goldman-Sachs appeal.

87,429 married men in New York City had to leave their sweethearts and go back to their wives.

72,567 duplex apartments became two family houses overnight.

150,207,904 new nickels are being turned out in twenty-four hour shifts by the United States Mint to be used by customers who never took a ride in the subway before.

48,286 night clubs throughout the country are nightly catering to 263,679 customers—all employees.

53,698,432 radio owners are complaining of a new kind of static that interferes with broadcasting. It comes in the form of daily stock market quotations.

9,763,905 people are back on the 18-day diet.*

* NOTE: *The statements herein contained, while not guaranteed, are obtained from sources which we believe to be reliable, but are not to be construed as representations. Legality has been sanctioned by EPPUS, EPPUS, EPPUS & EPPUS.*

I was sitting in a Wall Street restaurant during these stirring times when a speculator rushed in and ordered oysters, soup, steak, coffee, and cake. While the order was being placed he rushed over to the ticker to see how the market was going.

“Cancel the oysters!” he yelled.

Again he turned to the ticker.

“Cancel the soup!” he cried.

Another look, and he shouted: “Cancel the steak!”

As he watched the prices tumbling, he cried: “That goes for the coffee and cake, too!”

The customer finally finished up by asking for a glass of water and an aspirin.

Since the stock market is the chief topic of conversation these hectic days, I have asked many of my friends the mean-

ings of the various expressions used in Wall Street. To my astonishment, few of my cronies knew the real meaning of words like "par," "collateral," "selling short," and the many other terms used by the financial writers. For their benefit, as well as my own, I dug into the subject, and the following is my own glossary of Wall Street phrases:

TICKER—*A tapeworm.*

BULL—*A creature that hates to see anything "in the red."*

BEAR—*A dirty animal; a parasite living on a bull's profits.*

MARGIN—*A call of the wild.*

CALL MONEY—*Lawful larceny.*

PAR—*Something that's waiting to have its face value lifted.*

SELLING SHORT—*Porridge for papa bear, mama bear, and baby bear.*

SELLING LONG—*An act of a bull who still believes there is a Santa Claus.*

RE-DISCOUNT RATE—*The Einstein Theory.*

CUSTOMER'S MAN—*A gyp of the old block.*

PANIC—*The Parade of the Wooden Soldiers.*

PREFERRED STOCK—*A security with a high hat and spats.*

COMMON STOCK—*An illegitimate offspring of Mr. Preferred.*

DIVIDEND—*Salvage from original investment.*

LAMB—*A gentle animal who gambols with the bulls and the bears and finishes up as pot roast, stew and chops.*

MERGER—*A shotgun wedding.*

COLLATERAL—*A form of security, viz.: your right eye.*

I have assembled all these statistics and definitions for your benefit, whether you are in the market up to your neck, just

wading, or still in the swim. Personally, the market doesn't affect me any more. My broker told me he was going to carry me. Yes, he and three other pall bearers.

I don't know anything about the market but I do know my Bible, which I picked up in a hotel room one day. It was left over by a careless family named The Gideons.

In going through the pages I happened upon the story of Noah and the Ark. It said there that Noah took two animals of each specie into the Ark with him and kept them there for forty days. It doesn't say what rate of interest he charged for carrying them. At any rate, look at the number of animals we have in the world today. This only goes to prove that if you put things away for

any length of time they must multiply. I don't need a statistician or a tipster to figure this out for me nor do I need an Arthur Brisbane to show me the parallel between the animals Noah took into the Ark and the stock market.

Put any live issues away, and they must multiply. That goes for bonds, stocks, or any other investment securities. All you need is faith, good issues, patience and plenty of margin—in case.

Yours for Bigger and Better
Margins,

EDDIE CANTOR.



from THE INNER SANCTUM of
SIMON and SCHUSTER
Publishers - 37 W. 57th St. - New York

A NOTE ABOUT THE AUTHOR

EDDIE CANTOR is the man who showed America how to make whoopee. He is without doubt one of the greatest entertainers and playboys of the modern world. The romantic story of his rise from a humble background on the East Side of Manhattan Island to the dazzling heights of Ziegfeld stardom and Great Neck opulence has been set down in that saga of Broadway, *MY LIFE IS IN YOUR HANDS*. As actor, singer, comedian, and raconteur his fame is world-wide.

As a financier and stock market operator his experience is intensely real, and

truly representative of the excitements and despairs of millions of his fellow-Americans. This intimate and candid memoir of his own Wall Street adventure was written by Eddie Cantor himself while the frenzied ticker was still sputtering forth the news of the country's most violent stock market crisis. As travesty, however, "its spirit, sir, is one of mockery."

No aspersions are intended on any real bankers or brokers, on any real bulls or bears. The author employs only that fantastic hyperbole and takes only those decent liberties which are the time-honored privilege of wit and satire. Dull would he be who took this consoling and hilarious extravaganza in a surly or literal vein. —THE PUBLISHERS.

Date Due

~~Caught Short!~~
by Eddie C



S0-CAX-927

